

Audit & Governance Committee

Abbreviations & Glossary of Terms

Abbreviations	
AGS	Annual Governance Statement
APB Ethical Standards	Auditing Practices Board Ethical Standards
AUP	Acceptable Use Policy
CFR	Capital Financing Requirement (which represents the Council's underlying need to finance capital expenditure by borrowing.)
CGAG	Corporate Governance Assurance Group
CIES	Comprehensive Income and Expenditure Statement - part of final accounts
CIPFA	The Chartered Institute of Public Finance & Accountancy
CIPFA/LASAAC Local Authority Accounting Code Board	the board responsible for developing and maintaining the Code of Practice on Local Authority Accounting in the United Kingdom
CPI	Consumer Price Index
CRM	Customer Relationship Management
DCLG	Department for Communities and Local government
DSG	Dedicated Schools Grant
DWP	Department of Work and Pensions
EBITT claim	Employment Based Initial Teacher Training
FITCH rating	Independent credit ratings
GDP	Gross Domestic Product
HRA	Housing Revenue Account
IIA	Institute of Internal Auditors
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IGG	Corporate Information Governance Group
ISA (UK & Ireland)	International Standard on Auditing
ISB	Individual Schools Budget
ISO reviewer	International Standards Organisation
KPI	Key Performance Indicator
LAAP	Local Authority Accounting Panel
LABGI Reserve	Local Authority Business Growth

	Initiative
LASAAC	Local Authority (Scotland) Accounts Advisory Committee
LEP	Local Enterprise Partnership
LGA	Local Government Association
LGO	Local Government Ombudsman
LGPS	Local Government Pension Scheme
LIBID	London Interbank Bid Rate (which represents the rate at which a bank is willing to borrow from other banks.)
LOBOs	Lender's Option Borrower's Option (Loans are long-term loans which include a re-pricing option for the bank at predetermined intervals.)
MoUs	Memorandums of Understanding
MMFs	Money Market Funds
MRP	Minimum Revenue Provision (an annual contribution from revenue towards the repayment of debt)
NAO	National Audit Office
NFI	National Fraud Initiative - an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud.
PFI	Private Finance Initiative
PID	Project initiation Document
PSIAS	Public Sector Internal Audit Standards
PSN	Public Services Network
PWLB	Public Works Loan Board (a Government agency operating within the United Kingdom Debt Management Office and is responsible for lending money to Local Authorities.)
RIA	Receipts received in advance
RIPA	Regulation of Investigatory Powers Act
RSG	Revenue Support Grant
SeRCOP	Service Reporting Code of Practice – CIPFA code of practice for final accounts
SFVS	Schools Financial Value Standard
SIRO	Senior Information Risk Owner
SMART targets	Specific, Measurable, Achievable, Realistic, Timely
SOLACE	Society of Local Authority Chief Executives and Senior Managers
SWOT analysis	Strength, Weakness, Opportunity and Threat analysis used in the management of risk
the Fed	the US Federal Reserve
TMST	Treasury Management Strategy Team

TOCs	Transforming Oxfordshire Customer Services
VNAV	variable net asset value
WAM	weighted average maturity

Glossary of Terms

Actuarial gains and losses	These are changes in deficits or surpluses that arise because either actual experience or events have not been exactly the same as the assumptions adopted at the previous valuation (experience gains and losses) or the actuarial assumptions have changed.
Amortised	Written off over a period of time.
Asset	An asset is something the County Council owns and can be either long term or current.
Balance	The accumulated surplus of income over expenditure. Such a surplus is available to meet unexpected expenditure or a shortfall in income, to allow flexibility in borrowing from the money market, to finance expenditure pending the receipt of income or to reduce the Council Tax requirement.
Balance Sheet	A statement summarising the County Council's financial position at the end of an accounting period. The statement shows the County Council's assets and liabilities.
Bond Fund	A fund primarily invested in government and corporate bonds. The value of the investment changes as the market value of assets held by the fund changes.
Capital Asset	A tangible asset that yields benefit to the County Council and the services it provides for a period of more than one year.
Capital Expenditure	Expenditure on the provision of lasting assets, for example land, buildings, road, vehicles and equipment such as computers.
Capital Receipts	Receipts from the sale of capital assets
Cash Equivalent	Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
Collection Fund	A fund maintained by each district council to receive all income raised through the Council Tax. The County Council precepts the district councils to receive its share of Collection Fund receipts.

Contingent Asset	A possible asset arising from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the County Council's control.
Commutation Factor	Factor used to determine the amount of lump sum payable from the amount of annual pension commuted.
Contingent Liability	A condition which exists at the balance sheet date, where the outcome will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the County Council's control, or where it is not probable that an outflow of resources will be required to settle the obligation.
Contingent Rent	The portion of a lease payment that is not fixed at the start of the lease but is based on the future amount of a factor that changes other than with the passage of time (e.g. amount of future use, future price indices).
County Fund	The main revenue fund of the County Council into which precept income and Government grants are paid and from which day-to-day payments are made.
Creditors	Amounts owed by the County Council for work done, goods received or services rendered within the financial year for which payment has not yet been made.
Current Asset	An asset which will be used up during the next accounting period eg stocks.
Curtailment	Early retirement costs calculated in accordance with accounting standard IAS19.
Debtors	Amounts owed to the County Council for services carried out during the financial year but not yet received.
Deferred Income	Prepaid income credited to the Balance Sheet and amortised to the Comprehensive Income and Expenditure Statement to match the benefit of the receipts over the term of the contractual arrangement.
Depreciation	The systematic write-off of the reduction in value of a tangible fixed asset due to wear and tear, passing of time and technological changes over its economic useful life.
Derecognition	Removal of an asset or liability from the

	Balance Sheet
Equity instrument	A contract such as an equity share in a company.
Escrow	Money held by a third party on behalf of transacting parties.
Fair value	Fair value is generally the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction. This definition is modified by the Code for certain categories of assets and liabilities e.g. Property, Plant and Equipment.
Financial asset	A right to future economic benefits controlled by the County Council that is represented by cash, an equity instrument of another entity, a contractual right to receive cash (or another financial asset) from another entity or a contractual right to exchange financial assets/liabilities with another entity under conditions that are potentially favourable to the County Council.
Financial liability	An obligation to transfer economic benefits controlled by the County Council that is represented by a contractual obligation to deliver cash (or another financial asset) to another entity, or a contractual obligation to exchange financial assets/liabilities with another entity under conditions that are potentially unfavourable to the County Council.
Financial instruments	A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. Financial instruments include bank deposits, investments, debtors, long-term debtors, creditors, temporary loans and borrowings.
Financial Year	The County Council's accounts cover the period from 1 April in one year to 31 March in the next year.
Financing and Investment Income and Expenditure	This mainly comprises interest charges, for example on borrowing, and interest earned on investments.
Fixed Asset	A tangible asset that yields benefit to the County Council and the services it

	provides for a period of more than one year.
General Government Grants	These are general grants paid by central government in aid of local authority services as opposed to specific grants which may only be used for a specific purpose. The main general grant is Revenue Support Grant.
Impairment	A reduction in the carrying value of an asset arising from physical damage, obsolescence or a significant decline in market value.
Inventories	Raw materials and stores which the County Council has bought and holds in stock for use as required such as salt for roads and catering supplies.
Intangible Asset	An asset that does not have physical substance but is identifiable and controlled by the organisation through custody or legal rights e.g. software licenses.
International Financial Reporting Standards (IFRS's)	These are issued by the International Accounting Standards Board and provide standards for the preparation of financial statements.
Landfill Allowance	Allowance to use landfill allocated by the Department for the Environment, Food and Rural Affairs under the Landfill Allowance Trading Scheme.
Lease	A method of financing capital expenditure where a rental charge is paid for an asset for a specified period of time.
Lessee	A party to a lease agreement who makes payment to use an asset.
Lessor	A party to a lease agreement who receives payment for the use of an asset.
Liabilities	Amounts owed by the County Council which will be paid at some time in the future.
Long Term Investments	Investments that are not due to mature within the next 12 months.
Money Market Fund	Funds are invested in short dated assets including certificates of deposits, government securities and commercial papers making them highly liquid. Money Market Funds must be AAAMf rated, invest in high credit quality assets and maintain a weighted average maturity of 60 days or fewer. Investments have a stable net asset value and dividends are

	paid to investors on their investment.
Mortality Assumptions – Abbreviations	<p>S1NA - Mortality table for those retiring in normal health based on pension amounts issued as part of the "S1" series of mortality tables produced by the Continuous Mortality Investigation. The "S1" mortality tables are based on mortality experience in Self-Administered Pension Schemes between 2000 and 2006 and published in CMI Working Paper 35.</p> <p>S1PA Heavy - Mortality table for those pensioners with the lowest pensions based on pension amounts issued as part of the "S1" series of mortality tables produced by the Continuous Mortality Investigation. The "S1" mortality tables are based on mortality experience in Self-Administered Pension Schemes between 2000 and 2006.</p> <p>LC - Long Cohort, being the mortality improvement rates issued by the Continuous Mortality Investigation with the 92 series mortality tables in CMIR 17(1999), as amended by CMI Working Paper 1 (2002) to take account of improvements observed from 1992 to 1999, assuming that the faster rate of improvement would fade away from 2000 to 2040.</p>
Net Debt	The County Council's borrowings and finance liabilities less cash and liquid resources.
Net Operating Expenditure	The amount which it costs to provide services after any specific grants and/or income from fees and charges is taken into account, but ignoring general government grant and local taxation.
Non-current Asset	A long-term asset that is not expected to be used up or realised within the next 12 months e.g. Property, Plant and Equipment.
Non Domestic Rate	A levy on businesses based on a national rate in the pound set by the government multiplied by the 'rateable value' of the premises they occupy.
Non-specific Grant Income	Grant income from general revenue government grants and capital grants and contributions.

Pooled Fund	Funds from individual investors are aggregated for the purposes of investment and returns are apportioned between investors according to the size of the investment.
Pooling	Where services benefit larger areas than the local authorities which provide them, the expenditure is sometimes pooled according to a formula which reflects usage of the service.
Precept	The levy made by the precepting authority (the County Council) on billing authorities (the district councils in Oxfordshire) requiring the latter to collect income from council taxpayers on their behalf.
Private Finance Initiative (PFI)	A scheme to encourage private sector investment in the public sector. Typically these involve a private sector operator building or enhancing property and operating services on behalf of a public sector organisation.
Professional Fees	The fees paid by the County Council for professional services such as those of architects and quantity surveyors.
Provision	An amount of money put aside in the accounts for anticipated liabilities which cannot be accurately estimated eg insurance provision for claims awaiting resolution.
Public Works Loan Board	A central government agency which provides long and shorter term loans to local authorities at interest rates slightly higher than those at which the government itself can borrow. Local authorities are able to borrow a proportion of their requirement to finance capital spending from this source.
Reserves	Amounts of money put aside to meet certain categories of expenditure in order to avoid fluctuations in the charge to the County Fund.
Revenue Expenditure	The County Council's day-to-day expenditure on items which include wages, supplies and services and interest charges.
Revenue Expenditure Funded from Capital Under Statute	Capital expenditure as defined by statute that does not result in the acquisition, creation or enhancement of fixed assets and is charged to the Comprehensive

	Income & Expenditure Statement in accordance with the accounting policy.
Segregated Mandate Fund	Funds from individual investors are invested on a segregated basis so that the holdings can be directly attributed to investors.
Settlement (Retirement Benefits)	Settlement relates to a bulk transfer out of the Fund as a result of outsourcing. It reflects the difference between the liability transferred (calculated in accordance with accounting standard IAS19) and the assets transferred to settle the liability.
Specific Grants	Grants paid by the Government in respect of specific services.
Strategic Measures	This comprises interest on balances and capital financing charges. The former involves surplus cash from the County Fund which is either invested or used to reduce the need to borrow externally. The interest received is credited to the County Fund. Capital financing charges include the minimum revenue provision required and interest on outstanding debt, together with a general revenue contribution to finance capital spending.
Supported Capital Expenditure (Revenue) (SCE(R))	Borrowing supported by the government through general grant.
Transfer Values	An amount paid or received by the Pension Fund in respect of pension rights transferred from one pension scheme to another for employees joining the County Council from another job or leaving the County Council to move to another job.
Unusable Reserves	Reserves that cannot be used to provide services, for example reserves that hold increases in the value of assets that will not be realised until the assets are sold. Unusable reserves also include those reserves that reflect timing differences between expenditure being recognised in the accounts and when it has to be funded